



Committee: GO
Committee Review: Completed
Staff: Craig Howard, Deputy Director
Purpose: To make preliminary decisions – straw vote expected

AGENDA ITEM #22
 May 11, 2022
Worksession

SUBJECT

Office of Human Resources FY23 Operating Budget

EXPECTED ATTENDEES

None

FY23 COUNTY EXECUTIVE RECOMMENDATION

Office of Human Resources	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$8,203,407	\$9,793,022	19.4%
Personnel Costs	\$5,913,900 43.80 FTEs	\$6,738,674 53.25 FTEs	13.9% 9.45 FTEs
Operating Costs	\$2,289,507	\$3,054,348	33.4%
Employee Health Self-Insurance Fund	\$308,896,432	\$314,927,053	2.0%
Personnel Costs	\$3,100,360 23.85 FTEs	\$3,322,706 25.25 FTEs	7.2% 5.9%
Operating Costs	\$305,796,072	\$311,604,347	1.9%
Total Expenditures (All Funds)	\$302,813,854 67.65 FTEs	\$324,720,075 78.50 FTEs	2.4% 16.0%

COMMITTEE RECOMMENDATIONS

The GO Committee made the following recommendations (2-0, Councilmember Navarro absent):

- Reduce the recommended FY23 budget by \$77,749 by deferring consideration of 1 of the 4 new positions requested for classification and compensation support to January 2023, when the Council will have a better understanding of the fiscal situation.
- Reduced the recommended FY23 budget by \$156,185 by deferring consideration of the new MCG LEADS position and associated operating expenses to January 2023, when the Council will have a better understanding of the fiscal situation.
- Reduced the recommended FY23 budget by \$135,620 by deferring consideration of two new positions requested to support enhanced recruitment strategies to January 2023, when the Council will have a better understanding of the fiscal situation.
- Approve all other items as recommended by the County Executive.

This report contains:

GO Committee Staff Report (5/4/22)
Staff Report Attachments

Pages 1-4
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MEMORANDUM

May 2, 2022

TO: Government Operations and Fiscal Policy Committee
 FROM: Craig Howard, Deputy Director
 SUBJECT: **Office of Human Resources FY23 Operating Budget**
 PURPOSE: Make Committee recommendations for Council Consideration

Expected Participants:

- Berke Attila, Director, Office of Human Resources (OHR)
- Darryl Gorman, OHR
- Kimberly D. Williams, OHR
- Theo Nkangnia, OHR
- Jenna Shovlin, OHR
- Corey Orlosky, Office of Management and Budget

Summary of FY23 Recommended Budget

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A. Summary of FY23 Recommended Budget

General Fund. The Executive's FY23 recommended operating budget for the general fund portion of the OHR budget is \$9,793,022, an increase of 19.4% from FY22 (©1-11). The Executive also recommends 53.25 FTEs, an increase of 9.45 FTEs from FY22. Key changes with service impacts in the recommended budget include:

- \$530,000 for a new Applicant Tracking System;
- \$314,432 and 4.0 FTEs for classification and compensation support;
- \$156,185 and 1.0 FTE for the MCG LEADS program;
- \$140,515 and 1.0 FTE for Police stress management program; and
- \$135,620 and 2.0 FTE for recruitment strategies.

Employee Health Self-Insurance Fund. The Executive's FY23 recommended budget is \$314,927,053 for the self-insurance fund, an increase of 2.0% from FY22. This increase is primarily due to an additional \$5.9 million to fund projected health care claims expenditures.

B. Summary of Recommended Changes

Key proposed budget changes with service impacts are detailed below. Additionally, OHR provided a summary document (attached ©12-23) that identifies the rationale for several of the proposed enhancements.

Applicant Tracking System. The Executive recommends funding a new applicant tracking system in FY23. This system was initially proposed by the Executive in FY21, but was not funded due to the same services budget caused by the onset of the COVID-19 pandemic. The purpose of the new system is to provide a better customer service experience, improve the management and monitoring of all recruitments, and reduce the time it takes to fill positions. Of the \$530,000 cost in FY23, \$230,000 is a one-time expenditure and \$300,000 would be an ongoing cost in the base budget. OHR provided the following explanation about the need for a new applicant tracking system:

The County is utilizing an outdated off the shelf Oracle solution (iRecruitment) and added a candidate assessment solution (ProForm) that neither provides for nor leverages the most up to date technology and services, but at the same time, requires multiple work arounds, and has limited reporting capabilities. The County seeks to obtain an applicant tracking system that will allow the County to improve operations, candidate experience, user experience, reporting capabilities, and the ability to produce metrics/analytics. A more inclusive and diverse system will provide needed technical resources and enable the County to have current and future IT solutions and flexibilities. The County will be releasing an RFP to procure system that is intuitive, user friendly, contains total workflow tracking, improved "real time" reporting capabilities, with minimal to no manual work arounds and addresses the current system's limitations.

Classification and Compensation Support. \$314,432 and 4.0 FTE are being requested to enhance OHR's internal classification and compensation support capacity. Currently, OHR

primarily relies upon external consultants to review classification and compensation structures and less the 2% of the County's job classification plan is reviewed each year. OHR notes that "over 70% of the job classification plan has not been competitively reviewed against the market in the last 10 years, resulting in outdated structures, which has resulted in an increase in requests for competitive compensation analyses, internal salary equity reviews, and job classification reviews and studies by unions and departments." The recommended budget would provide for:

- 3.0 Classification/Compensation Analyst positions to conduct individual job study requests (instead of using a consultant), job classification and market studies for select jobs and departments, implementation of new job classifications and compensation structures, and implementation of collective bargaining agreements.
- 1.0 Human Resources Specialist position to pilot the centralized processing of position transactions to alleviate departments from this responsibility and to ensure positions are created or updated in the system correctly. This is intended to increase efficiency and reduce the workflow bottleneck HR Liaisons encounter during the process.

The requested staffing would expand upon the current complement of 6.0 FTE who work on classification and compensation issues. OHR states that these positions reflect a "first step toward deploying a strategy to competitively align the classification and compensation structures with the market and streamlining internal processes and systems to address routine activities and engaging in more analyses to support implementation of new initiatives and projects that strengthen the County's workforce. The future state requires an increase of internal staff to handle individual job studies, job classifications for vacant positions, occupational study maintenance, compensation/job analyses, evaluation and implementation of collective bargaining agreements and design and implementation of new initiatives and plans."

Recruitment Strategies. The Executive recommends adding \$135,620 and 2.0 positions to support enhanced recruitment strategies and tools to secure applicant acceptance of employment opportunities with the County. The goals from adding these positions include: enlarging and improve candidate pools for departmental hiring managers; supporting departments with recruitment strategies and programs; and strengthening multilingual management, internship programs, promotional exam administration, pipelining with Universities, and apprenticeship programs. OHR provided the following update on vacancies as part of the rationale for why these positions are needed:

The County's hiring freeze was lifted on September 28, 2021. At the time OHR submitted its budget, there were over 257 vacant full-time positions in the County as well as 1,023 vacant temporary and seasonal positions. By contrast, in May 2021 there were 159 vacant positions in the County and 139 temporary/seasonal positions that were vacant. The number of vacant positions is expected to rise as more County employees separate from County service (retirements, resignations, terminations, etc.) and the Council moves toward approving the FY23 budget, which is expected to see a significant increase in appropriated positions.

MCG LEADS Program. The Executive recommends an additional \$156,185 and 1.0 FTE for the MCG LEADS program, which is a leadership development program for all levels of County

Government. OHR reports that approximately 50% of current MLS employees are immediately eligible to retire and in the next three years 70% of MLS employees will be eligible to retire. The MCG LEADS position would be a Human Resources Specialist that would “collaborate with management from across the organization to identify and develop current supervisors and managers as well as emerging leaders...The position will be responsible for developing and implementing a County-wide management and leadership development training program utilizing e-learning, instructor-led training, and various other instructional design techniques.”

Police Stress Management Program. The Executive recommends \$140,515 and 1.0 FTE Psychologist position within the Police Stress Management Team to implement State of Maryland requirements. HB670, passed during the 2121 legislative session, requires a biannual mental health assessment of all Police Officers and Sherriff’s Deputies as of July 1, 2022. This new position will conduct the required mental health assessments and will be housed within OHR’s existing Police Stress Management Team. Approximately 1,400 mental health assessments for law enforcement officers will need to be completed on or before June 30, 2024, with each officer assessed every two years thereafter.

C. Staff Recommendations

Council staff is supportive of the broad, systems-level changes included as part of the FY23 budget request for OHR. Staff recommends supporting the Executive’s recommended budget for OHR with the following two exceptions due to overall budget affordability considerations:

- Defer consideration of 1 of the 4 new positions requested for classification and compensation support to January 2023, when the Council will have a better understanding of the fiscal situation. If the Committee supports this recommendation, it would be a reduction of \$77,749 to the FY23 budget.
- Defer consideration of the new MCG LEADS position and associated operating expenses to January 2023, when the Council will have a better understanding of the fiscal situation. If the Committee supports this recommendation, it would be a reduction of \$156,185 to the FY23 budget.



Human Resources

RECOMMENDED FY23 BUDGET

\$324,720,075

FULL TIME EQUIVALENTS

78.50

BERKE ATTILA, DIRECTOR

MISSION STATEMENT

To foster excellence in people by providing quality human resources services to our employees, partners, and the community.

BUDGET OVERVIEW

The total recommended FY23 Operating Budget for the Office of Human Resources is \$324,720,075, an increase of \$7,620,236 or 2.40 percent from the FY22 Approved Budget of \$317,099,839. Personnel Costs comprise 3.10 percent of the budget for 76 full-time position(s) and two part-time position(s), and a total of 78.50 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 96.90 percent of the FY23 budget.

The budget of the Office of Human Resources (OHR) is comprised of a General Fund component of \$9,793,022 and an Employee Health Benefit Self Insurance Fund component of \$314,927,053.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following is emphasized:

Effective, Sustainable Government

INITIATIVES

As part of the continued work to implement the OHR Strategic Plan, new positions have been added to OHR's budget to address gaps in service delivery, enhance the customer experience, address critical areas of improvement, and strengthen partnerships within the Human Resources Community.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- Created a comprehensive mental health resources information webpage for first responders in the County (Police, Fire/Rescue, Corrections, Sheriff's Office).
- Launched MCG Delivers, a project-based program that challenged an assembled team to address a real world problem facing Montgomery County Government.

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- ☀ OMS Launched Employee COVID-19 Vaccine Disclosure System.
 - ☀ Improved police stress management office space to ensure compliance with COVID-19 related protocols for continuation of in-person mental health service delivery.
 - ☀ Implemented electronic health record system to streamline documentation and logistical tasks for improved service delivery.
 - ☀ Automated the Tuition Assistance Program application process to enhance and improve the time to review and approve applications.
 - ☀ Automated and streamlined the certification process for completing Continuing Education Units (CEU) for users, improved distribution time, and partially eliminated the manual process for licensure compliance.
 - ☀ Launched eMultilingual in March 2021, significantly reducing data entry for staff and expediting time to certify for employees and candidates.
 - ☀ Digitized public safety promotional records.

PROGRAM CONTACTS

Contact Jennifer Shovlin of the Office of Human Resources at 240.777.5039 or Corey Orlosky of the Office of Management and Budget at 240.777.2762 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY22 estimates reflect funding based on the FY22 Approved Budget. The FY23 and FY24 figures are performance targets based on the FY23 Recommended Budget and funding for comparable service levels in FY24.

PROGRAM DESCRIPTIONS

☀ Business Operations and Performance

The Business Operations and Performance Division is comprised of the Classification, Compensation, Workforce Performance, and Strategy and Innovation teams. The Classification and Compensation team reviews and evaluates the duties and responsibilities of individual positions and occupational classes in response to employee, department, and union requests to assure that positions are correctly assigned at comparable grade levels. This team also ensures that employees are accurately and appropriately compensated through technical analysis and equitable application of compensation systems and procedures. The team designs compensation plans and provides leadership to departments on performance-based pay. The Classification and Compensation team is also responsible for oversight and administration of the County's compensation policies.

Workforce Performance consists of the Performance Management team. Performance management is a continuous process, which includes creating performance appraisals, observing and documenting performance and behavior, providing feedback, coaching, mentoring, and evaluating employees. The goal is to help employees and supervisors achieve Montgomery County's overall vision of efficient, effective, innovative, and responsive delivery of quality services.

Strategy and Innovation is designed to assess, define, and execute an HR governance and service delivery model that focuses on the creation of a more streamlined, synergistic, consistent, and cost-effective execution of HR policies, collective bargaining agreements, services, programs, and other human capital related initiatives. In addition, the problem solver positions are dedicated to the development and management of process improvement initiatives, data analytics, and OHR performance goals and objectives while serving as a ready resource to support OHR divisions on solving complex business and operational issues.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Job classification activities completed	162	103	113	125	130
Number of new hire salary equity analyses completed	341	189	197	210	230
Average days to complete new hire salary equity analyses	18	11	15	13	11
Average days to complete non-study job classifications related to hires ¹	25	10	16	12	10
Percent of job classifications reviewed/studied within the past 10 years	24%	28%	30%	32%	34%

¹ Data not available prior to FY20

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	1,010,904	7.00
Enhance: Classification and Compensation Support	314,432	4.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	612,392	4.00
FY23 Recommended	1,937,728	15.00

☀ Director's Office

The Director's Office provides services to the department: Executive management and recruitment; policy direction; strategic and financial planning; communications and public relations; and resources management. In addition, the Office provides consultation services on human resources matters to the County Executive and other department Directors. The Director's Office is responsible for human resources policy development and planning, the administration of human resources programs, ensuring the integrity of the merit system, and directing the design and implementation of new initiatives to better serve customers and improve organizational performance.

The Director's Office is comprised of the following.

- Information Technology - provides management and oversight of the Department's information technology initiatives.
- Administrative Services - provides management and oversight of the Office's procurement of goods and services, budget preparation, administration, and financial management of the Employee Health Benefits Fund, and management over the Records Management Section. The team also remits payments to benefit program carriers and third party administrators, approves invoices, and remits bills to employees and retirees as necessary.
- Communications and Strategic Planning - provides management and coordination of communications strategies, and website content management.

FY23 Recommended Changes	Expenditures	FTEs
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FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	3,528,083	24.40
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(307,323)	(3.65)
FY23 Recommended	3,220,760	20.75

EEO Compliance and Diversity Management

The Equal Employment Opportunity (EEO) and Diversity Management team ensures compliance with local, State, and Federal discrimination laws, as well as Montgomery County Personnel Regulations Section 5, related to EEO. The Division provides mandatory and customized training to employees and managers concerning equal employment and diversity management. The training also extends to civilian and public safety employees. The Division is responsible for mandated Federal and State EEO-related reporting requirements, EEO certifications, data/statistical analyses, and other EEO related reporting compliance associated with grant funding. The Division's primary responsibility is EEO compliance as it relates to the investigation of EEO complaints, monitoring departmental investigations, providing guidance and assistance to managers/supervisors related to EEO matters and resolution of EEO issues/complaints including mediation and reaching amicable resolution of EEO complaints.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of Equal Employment Opportunity complaints/inquiries received	145	172	180	198	195
Number of participants in Equal Employment Opportunity and diversity management trainings	1,288	2,129	2,000	2,000	2,000
Percent of Equal Employment Opportunity cases with successful resolution	26%	60%	38%	40%	45%
Percent of trainings that are customized for departments	41%	52%	49%	54%	55%

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	438,806	3.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	5,501	0.00
FY23 Recommended	444,307	3.00

Health & Employee Welfare

The Health Insurance team manages and administers the County's health and welfare plans in accordance with County policy and local, State, and Federal laws. In addition to maintaining operations associated with annual open enrollment and program eligibility, the team provides customer service, communications, education, and counseling to County employees, participating County agency employees, retirees, and their dependents (over 45,000 total people) in a manner that ensures an understanding of program provisions and their value as part of total compensation.

The Wellness Program uses a dynamic, comprehensive, and data-driven strategy to promote employee engagement in health and well-being. The Wellness Program provides employee wellness activities such as health screenings, educational seminars, wellness and fitness classes, and incentive programs, and utilizes communication channels such as web, social media, and a monthly newsletter.

The Stress Management team promotes the emotional, mental, and physical well-being of Montgomery County Police

Department employees and their family members through counseling, training, consultation services, and peer support.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of employees enrolled in Virgin Pulse wellness program	6,081	6,324	6,300	6,400	6,450
Percent of employees actively engaged in Virgin Pulse wellness program	51%	47%	47%	49%	51%
Percent of Virgin Pulse wellness program users whose chronic disease risk decreases	82%				

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	307,202,092	14.35
Increase Cost: Claims Expenditure Adjustment	5,855,120	0.00
Add: Police Stress Management	140,515	1.00
Enhance: Additional IT Support (General Fund)	46,677	0.45
Enhance: Additional IT Support (Employee Health Self Insurance Fund)	42,519	0.40
Enhance: Conversion of Contract Services to Permanent Staff	35,840	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(127,230)	(1.35)
FY23 Recommended	313,195,533	15.85

Occupational Medical Services

The Occupational Medical Services team (OMS) (including Fire and Rescue Occupational Medical Services) provides multi-disciplinary occupational medical services, such as work-related medical and safety-hazard assessments to promote the health, wellness, and productivity of the County workforce. OMS also administers the County's drug and alcohol testing and centralized Family and Medical Leave programs. OMS also includes the County's Disability Program Manager who administers the County's Americans with Disabilities Act (ADA) program.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of mandatory incumbent physical exams performed by Occupational Medical Services	2,424	1,348	3,000	3,150	3,310
Number of candidates processed for medical clearances	1,808	1,305	2,150	2,258	2,370
Percent of medical encounters processed within five days of visit	74%	79%	82%	85%	89%
Average patient length of stay from sign in to discharge (minutes)	70	67.5	70	70	73
Percent of mandatory incumbent physical exams completed within required timeline	78%	89.5%	85%	91%	93%

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	2,206,288	2.00
Enhance: OMS/FROMS Additional Support	91,024	0.00
Increase Cost: CPI Adjustment - OMS/FROMS Clinic Contract	65,085	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	42,360	1.00
FY23 Recommended	2,404,757	3.00

Recruitment and Selection

The Recruitment and Selection team is responsible for attracting, hiring, promoting and retaining candidates for County departments and agencies that result in a highly skilled, competent, and diverse workforce. The Team engages in a wide variety of outreach activities designed to ensure quality and diversity in the candidate population to include recruitment planning, guidance,

and advisory services to departments and agencies on selection and hiring. In addition, the Team conducts new employee orientation; administers reductions-in-force; designs and administers public safety promotional examinations and other employment tests; administers the County's Internship, Senior Fellow program, Position and Career Education program (PACE), Multilingual, Job Fairs and coordinates County transfers, demotions, promotions, noncompetitive reappointments, and retiree rehiring; manages the County's Disability and Veteran Employment Initiatives; provides selection guidelines training on interviewing and selecting employees; community and employee briefing trainings on the County's employment process and interview/resume preparation; reviews and validates all County compensation (wage equity, within grade salary requests, temporary promotion, promotion, and demotion salary requests), develops candidate qualification templates (minimum qualifications/preferred criteria), and validates candidate qualifications; and facilitates priority consideration placements.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of people hired	1,382	816	850	950	1,050
Percent of vacancies filled within target duration	51%	60%	55%	60%	65%
Average number of days to fill a vacant County position	108	90	91	86	81
Percent of new hires who are racial minorities (compared to County labor force: 56%)	57%	50%	56%	57%	58%

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	1,826,708	12.40
Enhance: Applicant Tracking System	530,000	0.00
Enhance: Recruitment Strategies	135,620	2.00
Technical Adj: LEAP4MCG Program	0	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(26,803)	0.00
FY23 Recommended	2,465,525	15.40

Training and Organizational Development

The Training and Organizational Development team provides training, workforce planning, and organizational effectiveness programs and activities that increase the knowledge, skills, and abilities of the County's workforce. The Team offers professional development opportunities to employees and managers through online learning and instructor-led classes, and designs performance improvement strategies and specialized training to meet specific departmental needs. The Team also designs short- and long-term business strategies to create required professional competencies, enhance organizational performance and effectiveness, and champions organizational change efforts to support the County's objectives.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of training classes offered	745	1,039	750	750	750
Percent of employees who participate in at least two non-mandatory training/development programs	19.5%	14%	15%	17%	20%
Percent of training courses geared toward leadership development	4.0%	11%	10%	13%	15%
Percent of computer skills trainees who report applying skills to current position	98%	92%	95%	95%	95%

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	886,958	4.50
Enhance: MCG LEADS	156,185	1.00

FY23 Recommended Changes	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	8,322	0.00
FY23 Recommended	1,051,465	5.50

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	3,979,309	4,722,473	4,367,200	5,373,766	13.8 %
Employee Benefits	1,055,534	1,191,427	1,123,144	1,364,908	14.6 %
County General Fund Personnel Costs	5,034,843	5,913,900	5,490,344	6,738,674	13.9 %
Operating Expenses	2,365,206	2,289,507	2,448,052	3,054,348	33.4 %
County General Fund Expenditures	7,400,049	8,203,407	7,938,396	9,793,022	19.4 %
PERSONNEL					
Full-Time	61	65	65	76	16.9 %
Part-Time	2	2	2	2	—
FTEs	39.80	43.80	43.80	53.25	21.6 %
County General Fund Revenues	0	0	0	0	—

EMPLOYEE HEALTH SELF INSURANCE

EXPENDITURES

Salaries and Wages	2,346,353	2,412,318	2,218,235	2,599,532	7.8 %
Employee Benefits	565,436	688,042	587,926	723,174	5.1 %
Employee Health Self Insurance Personnel Costs	2,911,789	3,100,360	2,806,161	3,322,706	7.2 %
Operating Expenses	268,881,858	305,796,072	293,056,145	311,604,347	1.9 %
Employee Health Self Insurance Expenditures	271,793,647	308,896,432	295,862,306	314,927,053	2.0 %

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	23.85	23.85	23.85	25.25	5.9 %

REVENUES

Investment Income	15,323	1,660	13,570	81,000	4779.5 %
Medicaid/Medicare Reimbursement	1,005,786	34,923,652	33,825,780	36,674,630	5.0 %
Miscellaneous Revenues	0	0	0	20,000,000	—
Other Charges/Fees	11,322,094	0	0	0	—
Other Intergovernmental	0	8,419,282	8,301,990	8,622,394	2.4 %
Self Insurance Employee Health Income	61,833,106	265,553,498	260,935,796	249,562,262	-6.0 %
Employee Health Self Insurance Revenues	74,176,309	308,898,092	303,077,136	314,940,286	2.0 %

GRANT FUND - MCG

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
EXPENDITURES					
Salaries and Wages	8,090	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund - MCG Personnel Costs	8,090	0	0	0	—
Operating Expenses	35,964	0	0	0	—
Grant Fund - MCG Expenditures	44,054	0	0	0	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Federal Grants	44,054	0	0	0	—
Grant Fund - MCG Revenues	44,054	0	0	0	—
DEPARTMENT TOTALS					
Total Expenditures	279,237,750	317,099,839	303,800,702	324,720,075	2.4 %
Total Full-Time Positions	61	65	65	76	16.9 %
Total Part-Time Positions	2	2	2	2	—
Total FTEs	63.65	67.65	67.65	78.50	16.0 %
Total Revenues	74,220,363	308,898,092	303,077,136	314,940,286	2.0 %

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY22 ORIGINAL APPROPRIATION	8,203,407	43.80
<u>Changes (with service impacts)</u>		
Enhance: Applicant Tracking System [Recruitment and Selection]	530,000	0.00
Enhance: Classification and Compensation Support [Business Operations and Performance]	314,432	4.00
Enhance: MCG LEADS [Training and Organizational Development]	156,185	1.00
Add: Police Stress Management [Health & Employee Welfare]	140,515	1.00
Enhance: Recruitment Strategies [Recruitment and Selection]	135,620	2.00
Enhance: OMS/FROMS Additional Support [Occupational Medical Services]	91,024	0.00
Enhance: Additional IT Support (General Fund) [Health & Employee Welfare]	46,677	0.45
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Annualization of FY22 Compensation Increases	91,258	0.00
Increase Cost: CPI Adjustment - OMS/FROMS Clinic Contract [Occupational Medical Services]	65,085	0.00
Increase Cost: FY23 Compensation Adjustment	57,615	0.00
Increase Cost: Printing and Mail Adjustment	3,732	0.00

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
Technical Adj: LEAP4MCG Program [Recruitment and Selection]	0	1.00
Decrease Cost: Retirement Adjustment	(42,528)	0.00
FY23 RECOMMENDED	9,793,022	53.25

EMPLOYEE HEALTH SELF INSURANCE

	FY22 ORIGINAL APPROPRIATION	308,896,432	23.85
<u>Changes (with service impacts)</u>			
Enhance: Additional IT Support (Employee Health Self Insurance Fund) [Health & Employee Welfare]	42,519		0.40
Enhance: Conversion of Contract Services to Permanent Staff [Health & Employee Welfare]	35,840		1.00
<u>Other Adjustments (with no service impacts)</u>			
Increase Cost: Claims Expenditure Adjustment [Health & Employee Welfare]	5,855,120		0.00
Increase Cost: Annualization of FY22 Compensation Increases	52,893		0.00
Increase Cost: FY23 Compensation Adjustment	38,763		0.00
Increase Cost: Retirement Adjustment	5,486		0.00
FY23 RECOMMENDED	314,927,053		25.25

GRANT FUND - MCG

	FY22 ORIGINAL APPROPRIATION	0	0.00
FY23 RECOMMENDED		0	0.00

PROGRAM SUMMARY

Program Name	FY22 APPR Expenditures	FY22 APPR FTEs	FY23 REC Expenditures	FY23 REC FTEs
Business Operations and Performance	1,010,904	7.00	1,937,728	15.00
Director's Office	3,528,083	24.40	3,220,760	20.75
EEO Compliance and Diversity Management	438,806	3.00	444,307	3.00
Health & Employee Welfare	307,202,092	14.35	313,195,533	15.85
Occupational Medical Services	2,206,288	2.00	2,404,757	3.00
Recruitment and Selection	1,826,708	12.40	2,465,525	15.40
Training and Organizational Development	886,958	4.50	1,051,465	5.50
Total	317,099,839	67.65	324,720,075	78.50

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY22 Total\$	FY22 FTEs	FY23 Total\$	FY23 FTEs
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CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY22 Total\$	FY22 FTEs	FY23 Total\$	FY23 FTEs
COUNTY GENERAL FUND					
Fire and Rescue Service	Fire	1,612,860	0.00	1,761,689	0.00
NDA - Montgomery County Employee Retirement Plans	Employees Retirement Savings Plan (RSP)	27,152	0.20	28,014	0.20
NDA - Montgomery County Employee Retirement Plans	Retirement Fund (ERS)	155,299	0.40	176,944	0.55
NDA - Montgomery County Employee Retirement Plans	Non-Appropriated Funds	9,690	0.00	10,404	0.00
Total		1,805,001	0.60	1,977,051	0.75

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
COUNTY GENERAL FUND						
EXPENDITURES						
FY23 Recommended	9,793	9,793	9,793	9,793	9,793	9,793
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY23	0	305	305	305	305	305
New positions in the FY23 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
Elimination of One-Time Items Recommended in FY23	0	(230)	(230)	(230)	(230)	(230)
Items recommended for one-time funding in FY23, including funding for the Applicant Tracking System, will be eliminated from the base in the outyears.						
Labor Contracts	0	221	221	221	221	221
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	9,793	10,089	10,089	10,089	10,089	10,089
EMPLOYEE HEALTH SELF INSURANCE						
EXPENDITURES						
FY23 Recommended	314,927	314,927	314,927	314,927	314,927	314,927
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY23	0	24	24	24	24	24
New positions in the FY23 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
Labor Contracts	0	121	121	121	121	121
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
Subtotal Expenditures	314,927	315,072	315,072	315,072	315,072	315,072

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY23 Recommended		FY24 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Classification and Compensation Support	314,432	4.00	482,133	4.00
Recruitment Strategies	135,620	2.00	214,175	2.00
Additional IT Support (General Fund)	46,677	0.45	73,448	0.45
Additional IT Support (Employee Health Self Insurance Fund)	42,519	0.40	66,830	0.40
MCG LEADS	81,185	1.00	113,410	1.00
Total	620,433	7.85	949,996	7.85



BUDGET PROPOSAL SUMMARY

FY23

Office of *Human* Resources

ACHIEVEMENTS

WE HAVE IMPROVED PERFORMANCE ACROSS ALL DIVISIONS



**Reduce TTF 40%
(FY20 - YTD)**



**Improved ICS
Survey**



**E-Telework
Application
(98% Satisfaction)**



**Online Telework
Training**



**COVID
Response/Recovery**



**Employee
Climate Survey**



**Mentoring
Program**



**Disability Hiring
Program**



Current obstacles restrict our ability to support our Partner Departments properly.

We have identified critical areas for improvement from hearing our partners' pain points.

CONTRIBUTING FACTORS

Today's hypercompetitive labor market differs from those of the past, rendering familiar tools ineffective or inadequate.

INTERNAL CONTRIBUTIONS



- Outdated Systems
- Increased Separations
- Passive Recruitment Strategies

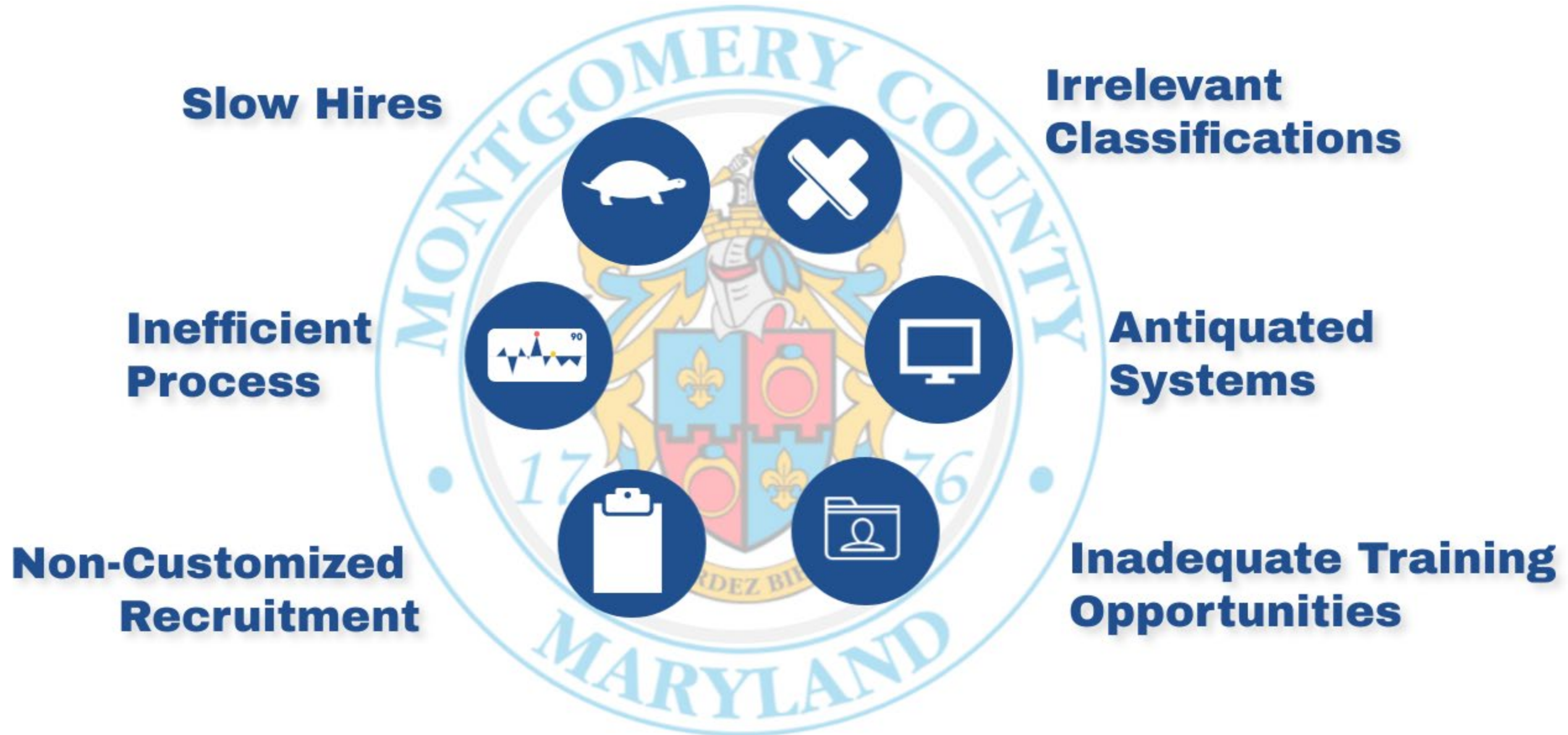


EXTERNAL CONTRIBUTIONS



- Competitive Labor Market
- Higher Burnout
- Mass Turnover

Our Partners' Pain Points



FAST & FLEXIBLE HIRING

EMPLOYEE STRUCTURES



"Hiring is delayed because our classifications are outdated."

7 in 10



Job classifications have not been reviewed in 10+ years.



"We don't have the right complement of technology positions."

40%



Information technology positions take **40%** longer to fill.



"Critical positions are leaving, and we can't hire people fast enough."

2X

The number of employees separated from the county compared to last year.

Modernize Job Classifications



The number of days to complete a classification related to new hires has risen 80%.

HR LIAISONS AND CLASSIFIERS USE UP TO 5 SYSTEMS TO COMPLETE A REQUEST.



7



The hiring process includes using **at least seven** different systems to process each vacancy.



10 Recruiters

20,800 - annual working hours

- 7,280 - hours to post job ads only.

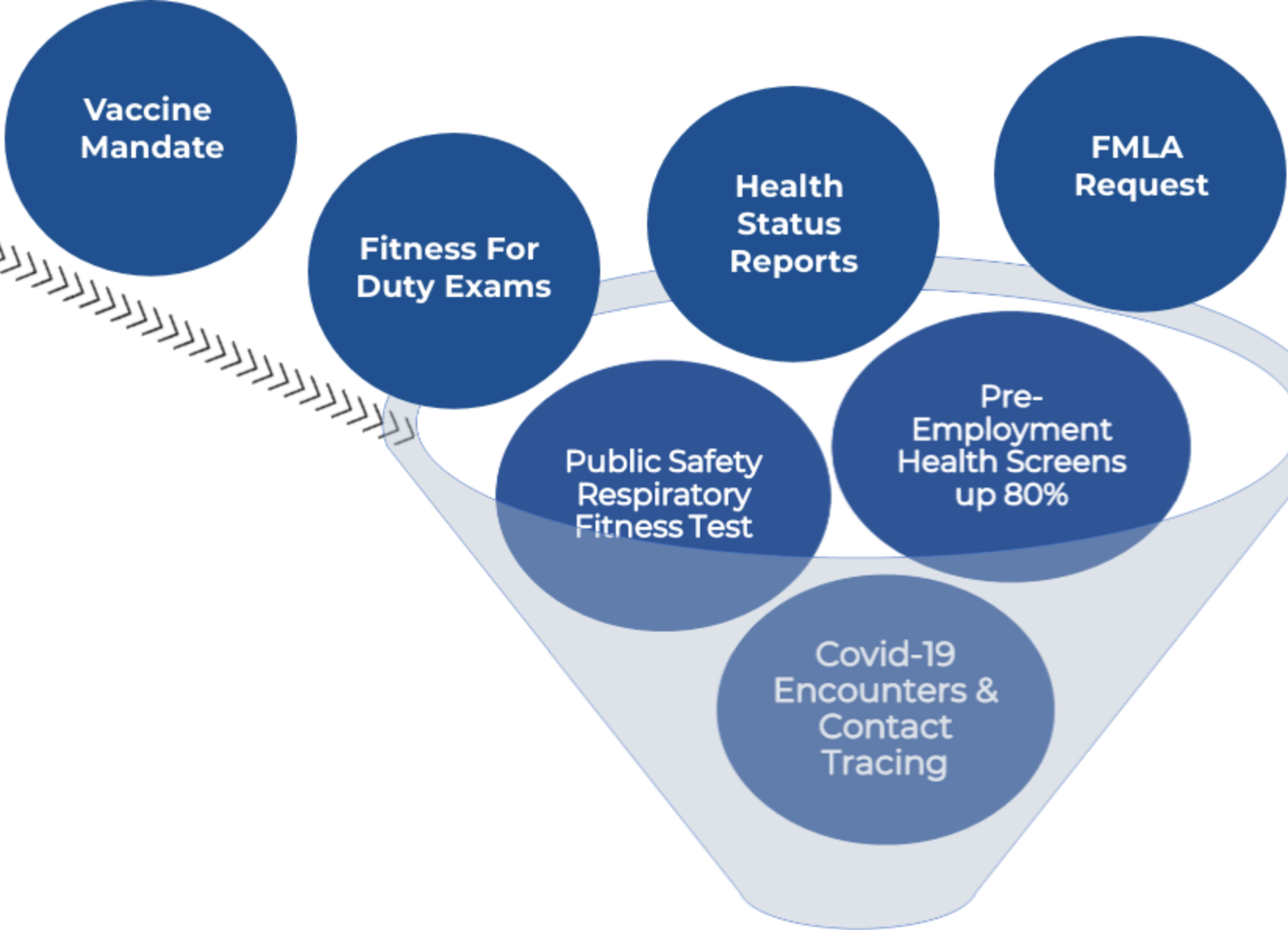
- 2,080 - hours for promotional exams

11,440 - Annual Hours Left

46%

of Recruiters time is spent on two activities.

OCCUPATIONAL MEDICAL SERVICES (OMS)



The demand for OMS services impacts time to complete new employee health screens.

Management & Leadership Development?

We are not doing enough to prepare tomorrow's leaders.



50%

of Management Leadership Service employees are eligible to retire today.



75%

more employees age 25 to 45 have separated from the County from FY21 to FY22



77%

of our training budget has been decreased over the last 12 years.

IDENTIFIED SOLUTIONS

OPPORTUNITIES WITH GREATEST RETURN ON INVESTMENT



**Central
Excellence Unit**



**Modernize
Job Classifications**



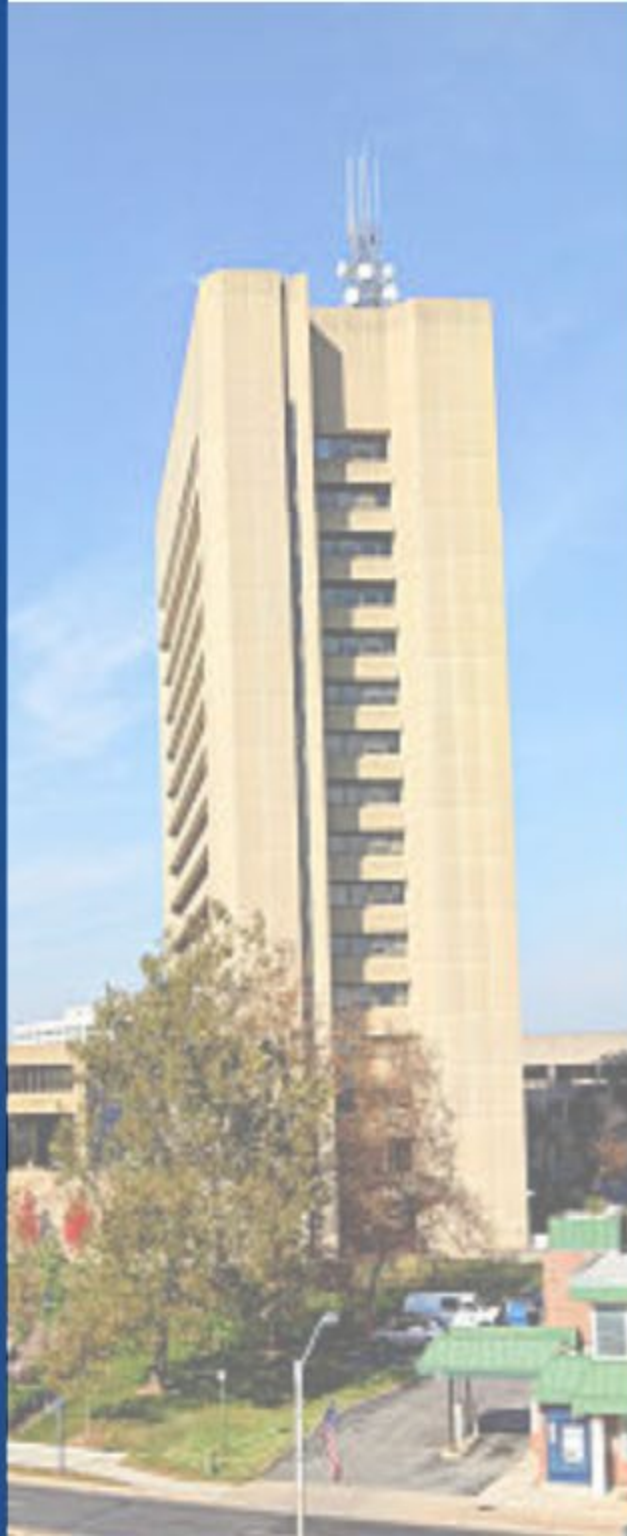
**Applicant
Tracking System**



**Additional
Resources**



**Expand MCG
Leads Program**



**THANK
YOU**

Some people dream of success, while
other people get up every morning and
make it happen.